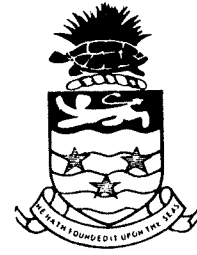


CAYMAN ISLANDS



Supplement No. 5 published with Gazette No. 14 of 1981.

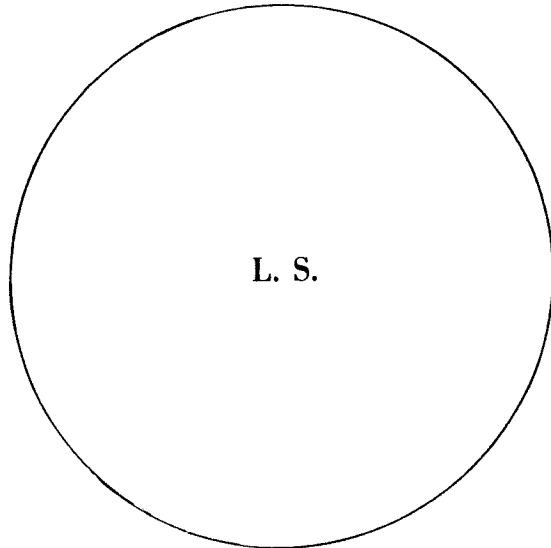
**THE HOUSING DEVELOPMENT  
CORPORATION LAW, 1981  
(LAW 14 OF 1981)**

CAYMAN ISLANDS

12

CAYMAN ISLANDS

LAW 14 OF 1981



L. S.

I assent

T. RUSSELL  
Governor

30th June, 1981.

**A LAW TO PROVIDE FOR THE ESTABLISHMENT OF A HOUSING DEVELOPMENT CORPORATION FOR PROMOTING THE DEVELOPMENT OF HOUSING AND FOR MATTERS CONNECTED THEREWITH AND INCIDENTAL THERETO**

ENACTED by the Legislature of the Cayman Islands.

**PART I — PRELIMINARY**

Short title and commencement.

1. This Law may be cited as the Housing Development Corporation Law, 1981 and shall come into operation on such date as the Governor may by Notice published in the Gazette appoint.

Interpretation.

2. In this Law —

“Chairman” means the Chairman of the Corporation appointed under section 4(3) and includes any person for the time being performing the functions of Chairman;

“the Corporation” means the Housing Development Corporation established under section 3;

“financial year” means such period of twelve months as the Corporation with the approval of the Financial Secretary may determine to be its financial year, so, however, that the first financial year shall be the period commencing with the commencement of this Law and ending with such day as may be fixed by the Financial

Secretary;

“General Manager” means the General Manager of the Corporation appointed under section 12 and includes any person appointed to act as General Manager;

“Governor” means Governor in Council;

“member” means a member of the Corporation appointed under section 4(2) and includes the Chairman;

“Member” means the Member of the Executive Council for the time being responsible for housing;

“owner” in relation to any building or land, means a person, other than a mortgagee not in possession, who is for the time being entitled to dispose of the absolute property of the building or land, whether in possession or in reversion, and includes also a person holding or entitled to the rents and profits of the building or land under a lease or agreement the unexpired terms whereof exceed three years.

**PART II**

**ESTABLISHMENT, CONSTITUTION,  
MANAGEMENT AND STAFF OF THE CORPORATION**

Establishment of the Corporation.

3. (1) There is hereby established for the purposes of this Law a body called the Housing Development Corporation.

(2) The Corporation shall be a body corporate with perpetual succession and a common seal and with power to enter into contracts, to sue and be sued in its corporate name and shall have power to acquire, hold mortgage, lease and dispose of all kinds of property moveable or immovable and to do and perform such acts and things as may be allowed under this Law.

Constitution of the Corporation.

4. (1) The Corporation shall consist of not less than five and not more than nine members as the Governor may from time to time determine.

(2) Every member shall be appointed by the Governor for such period not exceeding three years, as the Governor may direct and shall, on ceasing to be a member be eligible for re-appointment:

Provided that –

- (a) any member may at any time resign his office by instrument in writing addressed to the Governor; and
- (b) where a member ceases to be a member for any reason, the Governor may appoint another member in his place for the remainder of the time for which the former member would have served but for his ceasing to be a member.

other charges, etc.

receipt, instrument, or other document issued by the Corporation shall be subject to stamp duty, registration fee or any charge of a similar nature; nor shall the Corporation be liable for the payment of any search or inspection fee in any registration office:

Provided however that any purchaser or lessee from, or mortgagor of, the Corporation shall be liable to pay the whole of the stamp duty on any instrument relating to any transaction with the Corporation which would but for other provisions of this subsection otherwise be payable.

(2) Goods imported by the Corporation in connection with the lawful performance by it directly of any of its functions under this Law shall be exempt from the duties of customs.

The Trade and Business Licensing Law (Revised).  
Offences and penalties in respect of loans.

(3) The Trade and Business Licensing Law (Revised) shall not apply to the Corporation or anything lawfully done by it.

29. Any person who –

- (a) obtains a loan from the Corporation by means of any false representation;
- (b) wilfully applies any loan made to him by the Corporation for any purpose other than the purpose for which the loan was made;
- (c) having obtained a loan from the Corporation wilfully destroys any security given in relation to any such loan;

shall be guilty of an offence against this Law and shall be liable on summary conviction to a fine of two thousand dollars or to imprisonment for twelve months, or to both such fine and imprisonment.

Regulations.

30. The Governor may make regulations generally for the proper carrying out of the provisions and purposes of this Law and in particular but without prejudice to the generality of the foregoing may make regulations –

- (a) for securing the proper laying out and development of any lands transferred to the Corporation;
- (b) prescribing the form of any notice or other document authorised or required by this Law to be served or issued;
- (c) prescribing any other matter or anything which may be, or is required by this Law to be prescribed.

Attorney General's Fiat.

31. Proceedings for offences arising out of the provisions of this Law, or in connection with any loan made hereunder shall not be instituted except by or with the consent in writing of the Attorney General.

Passed the Legislative Assembly this 29th day of May, 1981.

**T. RUSSELL**  
President

**SYBIL McLAUGHLIN**  
Clerk of the Legislative Assembly.

Acquisition of land. Cap. 81.

25. (1) The Governor may acquire by private treaty or compulsorily under the provisions of the Land Acquisition Law any lands required for housing, and may exercise all powers under the Land Acquisition Law in relation to any acquisition or intended acquisition of such lands.

(2) The Governor may, upon such terms and conditions as he may determine, vest any lands acquired in the Corporation by ordering that such lands shall vest in the Corporation as from the date thereof. Any such Order shall be published in the Gazette and shall operate to vest the lands absolutely in the Corporation as from the date thereof, free from all encumbrances of any nature whatsoever.

Power to deal with land and buildings.

26. (1) Without prejudice to any of its other powers under this Law the Corporation may -

(a) let or lease for any term of years, or upon any conditions, any land vested in it under or by virtue of this Law and accept surrenders of any such leases as it may think fit:

Provided that the Corporation shall not exercise the powers conferred by this paragraph without the prior sanction of the Member if he so directs;

(b) with the consent of the Member, sell or exchange such land, whether or not it pays or receives any money for equality of exchange.

(2) The sale or lease of any land vested in the Corporation may be subject to such obligations and conditions as the Corporation with the approval of the Member, may impose in regard to the laying out and use of the land in regard to the use and maintenance of any building thereon, and upon any such sale the Corporation may, with the approval of the Member, accept payment of part of the price and secure the remainder by a mortgage or privilege of vendor of the premises.

**PART IV  
MISCELLANEOUS**

Transfer of officers.

27. (1) The Public Service Commission may approve the transfer and appointment of an officer from the public service to the service of the Corporation or from the service of the Corporation to the public service.

(2) Where a transfer and appointment has been approved under subsection (1) arrangements shall be made by the Government or the Corporation to pay to the Government or the Corporation as the case may be, such contribution as may be provided for in rules made by the Governor in respect of pensions and gratuities, and any such rules may make provision in different classes of cases.

Exemption from stamp duty and

28. (1) Notwithstanding the provisions of any law providing for the registration of documents or the payment of stamp duties, no certificate,

Seal of the Corporation

(3) The Governor shall appoint a Chairman from amongst the members.

(4) In the event of incapacity from illness or from any other temporary cause or of temporary absence from the Islands of any member, the Governor may appoint some other person to act as a temporary member during the time such incapacity of absence continues.

(5) The Governor may at any time revoke the appointment of any member if he considers it expedient so to do.

(6) The appointment of any member and the termination of office of any person as a member shall be notified in the Gazette.

5. (1) The seal of the Corporation shall be kept in the custody of the Chairman or of the General Manager and may be affixed to instruments pursuant to a resolution of the Corporation and in the presence of the Chairman and of one other member and the General Manager.

(2) The seal of the Corporation shall be authenticated by the signature of the Chairman and the General Manager, and such seal shall be officially and judiciously noticed.

(3) All deeds, instruments, contracts and other documents, other than those required by law to be under seal, made by, and all decisions of the Corporation may be signified under the hand of the Chairman or General Manager.

Service of notices, etc.

6. Service upon the Corporation of any notice, order or other document shall be executed by delivering the same or by sending it by registered post addressed to the General Manager at the principal office of the Corporation.

Procedure and meetings of the Corporation.

7. (1) The Corporation shall meet at such times as may be necessary or expedient for the transaction of business, and such meetings shall be held at such place and time and on such days as the Corporation may determine.

(2) The Chairman may at any time call a special meeting of the Corporation and shall call a special meeting within seven days of a requisition for that purpose addressed to him by any three members to consider the matters contained in such requisition.

(3) The Chairman shall call a special meeting of the Corporation if directed by the Member so to do.

(4) The Chairman or in his absence any member designated in writing by the Member shall preside at all meetings of the Corporation.

(5) The Chairman, or other member presiding, and four other members shall form a quorum:

Provided that, where any member is disqualified from taking part in any deliberation or decision of the Corporation with respect to any

4  
matter, he shall be disregarded for the purposes of constituting a quorum for deliberating on or deciding that matter.

(6) The decision of the Corporation with regard to any question shall be determined by vote of the majority of the members present at the meeting of the Corporation and in any case when the votes of the members present in regard to any question shall be equally divided, the Chairman or other member presiding having a casting vote in the event of a tie but not an original vote.

(7) Minutes of the proceedings of each meeting of the Corporation shall be kept in such manner as the Corporation may determine and shall be confirmed by the Chairman or other member presiding (as the case may be) as soon as practicable thereafter at a subsequent meeting.

(8) The Corporation may co-opt any one or more persons to attend any particular meeting of the Corporation for the purpose of assisting or advising the Corporation, but no such co-opted person shall have any right to vote.

(9) Subject to the provisions of this section, the Corporation shall have power to regulate its own proceedings.

(10) Any minutes made of meetings of the Corporation shall if purporting to be duly signed by the Chairman or other member presiding be receivable in evidence in all legal proceedings without further proof and every meeting of the Corporation in respect of the proceedings of which minutes have been so made shall be deemed to have been duly convened and held and all members thereat to have been duly qualified to act.

Disclosure of interest and abstaining from voting.

8. (1) A member who is in any way, whether directly or indirectly, interested in an application to the Corporation for a loan or for a contract or proposed contract with the Corporation, shall declare the nature of his interest at the first meeting of the Corporation at which it is possible for him to do so.

(2) A member shall not vote in respect of any application to the Corporation for a loan or in respect of any contract or proposed contract with the Corporation in which he is in any way interested, whether directly or indirectly.

Appointment of committee.

9. (1) The Corporation may appoint a committee of the Corporation to examine and report to it on any matter whatsoever arising out of or connected with any of its functions under this Law.

(2) Any such committee shall consist of at least one member together with such other persons, whether members or not, whose assistance or service the Corporation may desire.

(3) Where persons, other than members, are members of a committee

9  
(b) in defraying the following charges –

- (i) the remuneration and allowances of members and of any committee of the Corporation;
- (ii) salaries, remuneration, other allowances, and payments of contributions towards pensions, if any, for the officers and servants of the Corporation;
- (iii) the payment of interest on any debenture or debenture stock or other security issued and on any loan raised by the Corporation;
- (iv) sums required to be transferred to a sinking fund or otherwise set aside for the purpose of meeting provision for the redemption of debenture or debenture stock or other security for the payment of other borrowed money;
- (v) the payment of rates, taxes, insurance premiums and other outgoings and of the expense of maintenance or disposal in connection with lands and buildings vested in the Corporation or over which it has power of disposition by virtue of this Law;
- (vi) sums to be appropriated to the Reserve Fund;
- (vii) the payment of all other expenses authorised by or incidental to the operation of this Law and of any other expenditure authorised by the Corporation.

Accounts and audit.

23. (1) The Corporation shall keep accounts of its transaction to the satisfaction of the Financial Secretary and such accounts shall be audited annually by qualified accountants appointed by the Corporation.

(2) The members, officers and servants of the Corporation shall grant to the accountants appointed to audit the accounts under subsection (1) access to all books, documents, cash and securities of the Corporation and shall give to them on request all such information as may be within their knowledge in relation to the operation of the Corporation.

(3) As soon as the audited accounts have been supplied to the Corporation, the General Manager shall forward to the Member a copy thereof together with a copy of any report thereon by the auditor.

Report.

24. (1) The Corporation shall not later than four months after the expiration of the financial year submit to the Member a report containing –

- (a) an account of the activities of the Corporation during the preceding financial year in such form as the Member may direct;
- (b) a statement of the accounts of the Corporation audited in accordance with the provisions of section 23.

(2) The Member shall cause a copy of the report together with a copy of the audited statement of the accounts and the report of the auditor thereon to be laid on the table of the Legislative Assembly with all due despatch.

- (e) redemption of any debentures or debenture stock or other security that the Corporation is entitled or required to redeem;
- (f) any other expenditure properly chargeable to capital account.

(2) The power of the Corporation to borrow shall be exercisable only with the approval of the Governor as to the amount, as to the sources of borrowing and as to the terms on which the borrowing may be effected; and an approval given in any respect for the purpose of this subsection may be either general or limited to a particular borrowing or otherwise and may be either unconditional or subject to conditions.

Guarantee of borrowing of Corporation.

20. (1) The Government, with the approval of the Legislative Assembly, may guarantee, in such manner and on such conditions as may be specified, the payments of the principal and interest of any authorised borrowing of the Corporation.

(2) Where the Financial Secretary is satisfied that there has been default in the payment of any principal monies or interest guaranteed under the provisions of this section he shall direct the repayment out of the general revenues of the amount in respect of which there has been such default.

(3) The Corporation shall make to the revenues of the Islands at such times and in such manner as the Financial Secretary may direct, payments of such amounts as may be so directed in or towards repayment of any sums issued in fulfilment of any guarantee given under this section, and payment of interest on what is outstanding for the time being in respect of any sums so issued at such rate as the Financial Secretary may direct, and different rates of interest may be directed as regards different sums and as regards interest for different periods.

Reserve Fund.

21. The Corporation shall establish a Reserve Fund which shall be dealt with and applied in accordance with any direction which may from time to time be given to the Corporation by the Member.

Application of Funds.

22. The funds and resources of the Corporation shall be applied in the following manner, that is to say financing –

- (a) (i) the purchase of any land intended for housing;
- (ii) the costs of developing such land and any other property vested in the Corporation from time to time and providing services;
- (iii) costs of and incidental to the building of houses by persons generally;
- (iv) the costs of and incidental to erecting, maintaining, keeping up and managing houses and other buildings (including Government houses and other buildings) for the time being vested in the Corporation or under its responsibility;

appointed under this section, or where any person is co-opted under the provisions of section 7(8), the Corporation may with the approval of the Governor by resolution declare the remuneration and allowance of such persons, and such sums shall properly be payable out of the funds and resources of the Corporation.

(4) The Corporation may reject the report of any such committee or adopt it either wholly or with such modifications, additions or adaptations as it may think fit.

Power to delegate.

10. Subject to the provisions of this Law the Corporation may delegate to any member or committee of the Corporation the power and authority to carry out on its behalf such duties as it may determine.

Remuneration of members.

11. There shall be paid from the funds of the Corporation to members who are not public officers such, if any, remuneration, fees or allowances as the Governor may determine from time to time.

Appointment of General Manager.

12. (1) The Corporation shall, at such salary and upon such terms and conditions of service as it may determine and with the prior approval of the Governor appoint a General Manager.

(2) The General Manager shall be the chief executive officer of the Corporation and shall be present at all meetings of the Corporation unless he has obtained leave of absence from the Chairman or is incapacitated by illness or other cause from attending such meetings.

(3) In the event of the absence of the General Manager, the Corporation may by instrument in writing and with the prior approval of the Member, appoint any person to act as General Member during the period of such absence upon such terms and conditions as it may determine. The person so appointed may exercise all the powers and all the duties by this Law exercisable or to be performed by the General Manager as many of such powers and duties as may be specified in such instrument.

Appointment of officers and servants.

13. (1) The Corporation may appoint and employ at such remuneration and on such terms and conditions as it thinks fit and with the prior approval of the Governor such officers and servants as it deems necessary for the proper carrying out of its functions under this Law.

(2) The persons so engaged shall perform such duties as may be assigned to them by the General Manager.

Protection of Corporation.

14. The validity of any act done or proceedings taken under this Law shall not be questioned on the ground of –

- (a) the existence of any vacancy in the membership of, or any defect in the constitution of the Corporation; or
- (b) the contravention by a member of the provisions of section 8; or
- (c) any omission, defect or irregularity not affecting the merits of the case.

6  
Protection of members.

15. No personal liability shall attach to any member in respect of anything done or suffered in good faith under the provisions of this Law, and any sums of money, damages or costs which may be recovered against any such member in respect of any act or thing done bona fide for the purpose of carrying this Law into effect shall be paid out of the funds and resources of the Corporation.

Policy.

16. (1) The Governor may, after consultation with the Chairman, give to the Corporation directions of a general character as to the policy to be followed in the performance of its functions in relation to matters appearing to him to concern the public interest.

(2) The Corporation shall furnish the Member with such returns, accounts and other information as he may require with respect to the property and activities of the Corporation, and shall afford to him facilities for verifying such information in such manner and at such times as he may reasonably require.

### PART III FUNCTIONS OF THE CORPORATION

Functions of the Corporation.

17. (1) Subject to the provisions of this Law the Corporation shall have power to carry out or provide for the acquisition and building of houses in the Islands.

(2) Subject to the provisions of this Law the Corporation may, for the purpose of performing any of its functions under this Law, do anything and enter into any transaction which, in its opinion is necessary to ensure the proper performance of its functions.

(3) In particular and without prejudice to the generality of the provisions of subsections (1) and (2) the Corporation may in connection with the performance of its functions under subsections (1) and (2) –

- (a) acquire, manage and dispose of land;
- (b) directly, or through other persons or the Government, lay out, construct and maintain buildings and carry out such other building and engineering operations as may appear to it to be necessary or desirable in, or, over or under land;
- (c) provide and maintain roads, water and sewerage systems, car parks, piers, public parks, public gardens and other public amenities;
- (d) carry on any business or undertaking for housing development;
- (e) make arrangements with other persons for the purpose of enabling them to provide housing or finance therefor;
- (f) engage in any other activity designed to promote housing development;
- (g) with the approval of the Governor make gifts or donations in deserving cases;
- (h) provide, maintain and keep up government houses and other buildings;

Funds of the Corporation.

Governor (Vesting of Lands) Law (Revised).

Borrowing powers.

- 7
- (i) provide and make available for purchase, leasing or renting houses of all kinds;
  - (j) make available moneys for the purpose of financing the building and acquisition of houses upon such terms and conditions as the Corporation may decide;
  - (k) carry on any business incidental, or conducive to the achievement of, any of the functions of the Corporation, including but not limited to the business of builders, contractors, insurers, real estate managers and land agents.

(4) The Corporation shall, in performing any of its functions under this Law take such action as may be necessary and practicable to ensure the preservation of sites and objects of architectural or historical interest.

(5) The Corporation shall carry out periodic surveys for the information of the Member into –

- (a) the housing requirements of the Islands;
- (b) sources of funding for mortgage finance in the Islands;
- (c) improved and less costly methods of house construction.

### PART III FINANCIAL

18. (1) The funds and resources of the Corporation shall consist of –

- (a) such sums as may from time to time be placed at its disposal by the Legislative Assembly;
- (b) funds arising from the sale, lease, or other disposition of property vested in the Corporation;
- (c) funds arising from any source consequential upon the execution of mortgage finance arrangements;
- (d) sums borrowed by the Corporation for the purpose of meeting any of its obligations or discharging its functions;
- (e) all other sums or property that may become payable to or vested in the Corporation in respect of any matter incidental to its powers and duties.

(2) The Governor may by Notice published in the Gazette vest in the Corporation any lands for the time being vested in him under the Governor (Vesting of Lands) Law (Revised) upon such tenure and terms, and subject to such conditions, as may be specified in such Notice.

19. (1) Subject to the provisions of this Law the Corporation may borrow, secure or raise money by the issue of debentures or debenture stock or other security for all or any of the following purposes: –

- (a) the financing of the purchasing of land;
- (b) the laying out and development of any such area;
- (c) the provisions of working capital;
- (d) the fulfilling of the functions of the Corporation under this Law;